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Oggetto : Quarterly consolidated financial statements
at 30 september 2017

Testo del comunicato

Vedi allegato.



QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017

The Board of Directors has today approved the consolidated financial statements as at September 30th 2017.

In the first nine months of 2017, IRCE Group (hereinafter also the "Group") recorded an increase in both revenues and margins compared to the same period of 2016.

In the winding wire sector, revenues improved compared to the first nine months of 2016; in the third quarter, the volume growth recorded in the first part of the year was confirmed. In the cable sector, the trend of revenues was also positive: sales volumes further improved, reducing the negative gap vis-a-vis the previous year.

Consolidated turnover amounted to € 268.80 million, compared to € 221.59 million in the first half year 2016, the increase of 21% was largely due to the rise in copper prices.

The results are shown in the following table.

Consolidated income statement data (€/million)	9 months 2017	9 months 2016	Change
Turnover ¹	268.80	221.59	47.21
EBITDA ²	15.44	7.76	7.68
EBIT	7.45	2.40	5.05
Profit before taxes	7.42	2.78	4.64
Net profit	4.63	1.39	3.24
Adjusted EBITDA ³	14.98	8.62	6.36
Adjusted EBIT ³	6.99	3.26	3.73

Consolidated statement of financial position data (€/million)	As of 30.09.2017	As of 31.12.2016	Change
Net invested capital	189.46	173.49	15.97
Shareholders' Equity	136.06	137.24	(1.18)
Net financial debt	53.40	36.25	17.15

1 The item "Turnover" represents the "Revenues" reported in the income statement.

2 EBITDA is a performance indicator used by the Management of the Group in order to assess the operating performance of the company and is not identified as an accounting item within IFRS; it is calculated by IRCE S.p.A. by adding amortisation/depreciation, allocations and write-downs to EBIT.

3 Adjusted EBITDA and EBIT are respectively calculated as the sum of EBITDA and EBIT and the income/charges from operations on copper derivatives transactions (€ -0.46 million in nine months 2016 and € +0.86 million in nine months 2016). These indicators are used by the Management of the Group in order to monitor and assess the operational performance of the Group and are not identified as accounting items within IFRS. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group could potentially not be consistent with that adopted by others and therefore not be comparable.

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Consolidated net financial debt, at the end of September 2017, was € 53.40 million, up from € 36.25 million at the end of 2016, due to the increase of the net working capital.

The increase of the negative amount of the foreign currency translation reserve of € 4.53 million entailed a reduction in consolidated shareholders' equity, albeit there was a profit in the period.

The Group's investments in the first nine months 2017 were € 4.13 million and were referred to investments made in some European plants.

In the winding wire sector, the growth forecast for the full year 2017 is confirmed; while in the cable segment, where the market is still weak, revenues will be in line with those of the previous year. In this context, the Group expects to close the full year 2017 with a further improvement in results compared with the first nine months.

The manager responsible for preparing the company's financial reports, Elena Casadio, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to our books and accounting records.

Imola, 10th November 2017

IRCE SPA

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IRCE Group is an important player in the winding wires and electric cable sector. The production is deployed in 4 facilities in Italy and 5 facilities abroad: Nijmegen (NI), Blackburn (UK), Joinville SC (Brazil), Kochi (India) and Kierspe (Germany). The Group includes also 6 commercial companies; five of them are located outside Italy (Germany, Spain, Switzerland, Turkey and Poland) and the Group employs about 740 employees.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30.09.2017	30.06.2017	31.12.2016
NON- CURRENT ASSETS			
Goodwill and intangibles assets	983,661	940,723	1,827,881
Property, plant and equipment	51,643,000	52,182,008	52,627,264
Equipment and other tangible assets	1,330,642	1,216,477	1,209,192
Fixed assets under construction and advance	2,448,937	1,878,422	4,177,393
Non-current financial assets and receivables	119,237	119,667	122,677
Non-current tax receivables	811,582	811,582	811,582
Deferred tax assets	1,820,456	1,892,417	2,470,294
TOTAL NON -CURRENT ASSETS	59,157,515	59,041,296	63,246,283
CURRENT ASSETS			
Inventory	80,824,184	79,752,448	72,427,659
Trade receivables	92,855,690	92,489,122	75,918,372
Tax receivables	1,250,631	1,753,900	2,442,219
Receivables due from other	1,433,420	1,727,541	2,061,055
Current financial assets	42,409	161,312	543,981
Cash and cash equivalents	5,219,984	7,001,336	7,775,737
TOTAL CURRENT ASSETS	181,626,318	182,885,659	161,169,023
TOTAL ASSETS	240,783,833	241,926,955	224,415,306

PRESS RELEASE

SHAREHOLDERS EQUITY AND LIABILITIES	30.09.2017	30.06.2017	31.12.2016
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	14,626,560	14,626,560	14,626,560
RESERVES	117,064,956	117,311,438	122,288,345
PROFIT FOR THE PERIOD	4,631,383	3,853,784	54,676
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	136,322,899	135,791,782	136,969,581
MINORITY INTEREST	(265,626)	(257,496)	266,216
TOTAL SHAREHOLDERS' EQUITY	136,057,273	135,534,286	137,235,797
NON CURRENT LIABILITIES			
Non-current financial liabilities	12,330,824	11,464,293	13,968,266
Deferred tax liabilities	242,313	255,396	289,176
Provision for risks and charges	2,378,632	2,428,870	2,434,053
Employee benefits' provision	5,858,042	5,902,299	6,027,372
TOTAL NON-CURRENT LIABILITIES	20,809,811	20,050,858	22,718,867
CURRENT LIABILITIES			
Current financial liabilities	46,668,786	50,061,788	30,132,677
Trade payables	25,140,436	23,895,427	24,991,819
Tax payables	3,996,462	3,545,033	1,340,080
Social security contributions	1,703,488	1,813,849	2,147,394
Other current liabilities	6,407,577	7,025,714	5,848,672
TOTAL CURRENT LIABILITIES	83,916,749	86,341,811	64,460,642
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	240,783,833	241,926,955	224,415,306

CONSOLIDATED INCOME STATEMENT

	30.09.2017	30.09.2016	III quarter 2017	III quarter 2016
Revenues	268,796,123	221,590,611	83,124,209	67,775,005
Other revenues and income	445,792	654,471	137,882	157,445
TOTAL REVENUES	269.241.915	222,245,082	83,262,091	67,932,450
Cost for raw material and consumables	(212,138,404)	(164,737,997)	(63,620,255)	(46,901,462)
Change in work in progress and finished goods	7,501,674	(3,273,448)	(1,918,587)	(5,387,319)
Cost for services	(24,342,285)	(22,921,234)	(6,738,338)	(7,090,126)
Personnel costs	(23,744,233)	(22,995,988)	(7,095,520)	(6,838,834)
Amortisation/depreciation	(5,566,473)	(4,304,029)	(1,556,657)	(1,496,001)
Allocation and write-downs	(2,427,545)	(1,062,485)	(36,752)	(7,434)
<i>(of which: non-recurring)</i>	<i>(1,830,000)</i>	-	-	-
Other operating costs	(1,075,491)	(551,306)	(377,762)	(149,353)
EBIT	7,449,158	2,398,595	1,918,220	61,920
Financial incomes / (charges)	(29,358)	383,946	(702,605)	187,823
PROFIT / (LOSS) BEFORE TAXES	7,419,800	2,782,541	1,215,615	249,743
Income taxes	(3,320,259)	(1,394,390)	(446,146)	(60,930)
PROFIT BEFORE NON-CONTROLLING INTERESTS	4,099,541	1,388,151	769,469	188,813
Non-controlling interests	531,842	(614)	8,130	323
PROFIT FOR THE PERIOD	4,631,383	1,387,537	777,599	189,135

PRESS RELEASE

CONSOLIDATED STATEMENT OF CASH FLOWS	30.09.2017	30.09.2016
<i>€/000</i>		
OPERATING ACTIVITIES		
Profit for the year	4,631	1,388
<i>Adjustments for:</i>		
Amortization/depreciation	4,666	4,304
Write-off goodwill	900	0
Net change in (assets) provision for (advance) deferred taxes	603	(339)
(gains)/losses from sell-off of fixed assets	0	(17)
(gains)/losses on unrealized translation differences	0	(264)
Taxes	2,825	1,415
Financial income/(charge)	(421)	(1,200)
Operating profit/(loss) before change in working capital	13,205	5,288
Taxes paid	(332)	(1,249)
Decrease (increase) in inventory	(8,397)	9,307
(Increase) decrease in current assets and liabilities	(14,691)	(3,757)
(increase) decrease in non-current assets and liabilities	(230)	835
Exchange difference on translation of financial statement in foreign currency	0	2,686
CASH FLOW GENERATED BY OPERATING ACTIVITIES	(10,445)	13,107
INVESTING ACTIVITIES		
Investments in intangible assets	(109)	(24)
Investments in tangible assets	(4,017)	(2,610)
Amount collected from sale of tangible and intangible assets	26	26
CASH FLOW USED IN INVESTMENTS	(4,100)	(2,608)
FINANCIAL ACTIVITIES		
Net change in loans	(1,637)	(8,054)
Net change in short-term debt	16,536	(1,693)
Exchange difference on translation of financial statement in foreign currency	(2,350)	445
Change in current financial assets	502	(157)
Payment of interest	(1,029)	(680)
Receipt of interest	1,450	1,879
Change in minority shareholders' capital	(532)	1
Change in translation of financial statements in foreign currency with effects in shareholders' equity	59	(68)
Dividends paid	(803)	(803)
Sell/purchase own shares	-	(64)
CASH FLOW GENERATED FROM FINANCIAL TRANSACTION	12,195	(9,194)
NET CASH FLOW FOR THE PERIOD	(2,350)	1,304
CASH BALANCE AT START OF YEAR	7,776	5,402
TOTAL NET CASH FLOW FOR THE PERIOD	(2,350)	1,304
EXCHANGE DIFFERENCE	(206)	(350)
CASH BALANCE AT THE END OF YEAR	5,220	6,356

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